

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

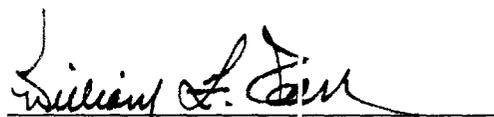
IN THE MATTER OF THE APPLICATION OF
CHEVRON U.S.A. INC., FOR A NON-
STANDARD GAS PRORATION UNIT,
UNORTHODOX GAS WELL LOCATIONS AND
SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.

CASE NO. 9949

AFFIDAVIT

STATE OF NEW MEXICO)
)ss.
COUNTY OF SANTA FE)

WILLIAM F. CARR, attorney in fact and authorized representative of Chevron U.S.A. Inc., the Applicant herein, being first duly sworn, upon oath, states that the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested persons entitled to receive notice as shown by Exhibit "A" attached hereto, and that pursuant to Rule 1207, notice has been given at the correct addresses provided by such rule.


WILLIAM F. CARR

SUBSCRIBED AND SWORN to before me this 26th day of June, 1990.


Notary Public

My Commission Expires:

March 28, 1992

| | |
|---------------------------|----------------------|
| BEFORE EXAMINER CATANACH | |
| OIL CONSERVATION DIVISION | |
| CHEVRON | EXHIBIT NO. <u>4</u> |
| CASE NO. | <u>9949</u> |

EXHIBIT A

Amerada Hess Corporation
Post Office Box 840
Seminole, Texas 79360
Attn: J.I. Johnson

ARCO Oil and Gas Company
Post Office Box 1610
Midland, Texas 79702
Attn: J.A. Nicholson

Citation Oil & Gas Company
8223 Willow Place
Suite 250
Houston, Texas 77070
Attn: J.M. Crews

Conoco Inc.
Post Office Box 460
Hobbs, New Mexico 88240
Attn: H. Ingram

El Paso Natural Gas Company
Post Office Box 1492
El Paso, Texas 79978
Attn: J.T. Clark

Exxon Company U.S.A.
Post Office Box 1600
Midland, Texas 79702
Attn: R.D. Goddard

Doyle Hartman
Oil Operator
Post Office Box 10426
Midland, Texas 79702

Meridian Oil Inc.
2919 Allen Parkway, Suite 900
Houston, Texas 77019
Attn: B. Boles

Shell Western E&P Inc.
Post Office Box 576
Houston, Texas 77001

Texaco Producing Company
Post Office Box 728
Hobbs, New Mexico 88240
Attn: J.A. Head

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

June 5, 1990

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

Amerada Hess Corporation
Post Office Box 840
Seminole, Texas 79360
Attn: J.I. Johnson

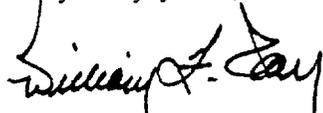
Re: Amended Application of Chevron U.S.A., Inc. for a Non-Standard Proration Unit, Unorthodox Well Locations and Simultaneous Dedication, Lea County, New Mexico

Gentlemen:

This letter is to advise you that Chevron U.S.A., Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking approval of a 400-acre non-standard Eumont Gas proration unit consisting of Lots 11, 12, 13 and 14 of Section 5 and Lots 15 and 16 and the SE/4 of Section 6, Township 21 South, Range 36 East, N.M.P.M., Lea County, New Mexico. Chevron U.S.A., Inc. proposes to simultaneously dedicate this non-standard Eumont proration unit to its Graham State (NCT-E) No. 2 Well located at a standard location 1980 feet from the South and East lines of Section 6, its Orcutt (NCT-A) Well No. 1 located at an unorthodox location 4600 feet from the North line and 1983 feet from the West line of said Section 5, and a new well to be drilled at an unorthodox location 1175 feet from the South line and 1375 feet from the East line of Section 6. Chevron U.S.A., Inc. also seeks approval of these unorthodox locations in the Eumont formation, Eumont Gas Pool.

This application has been set for hearing before a Division Examiner on June 27, 1990. You are not required to attend this hearing but, as the owner of an interest that may be affected by this non-standard proration unit or by these unorthodox well locations, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR CHEVRON U.S.A., INC.
WFC:mlh

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent the card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.
 1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

| | |
|---|---|
| 3. Article Addressed to: Amerada Hess Corporation Post Office Box 840 Seminole, Texas 79360 Attn: J.I. Johnson | 4. Article Number P 106 679 716 |
| 5. Signature - Address <input checked="" type="checkbox"/> | Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise |
| 6. Signature - Agent <input checked="" type="checkbox"/> | Always obtain signature of addressee or agent and DATE DELIVERED. |
| 7. Date of Delivery 6-8-90 | 8. Addressee's Address (ONLY if requested and fee paid) |

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P-106 679 716

| | |
|--|--------------|
| To: Attn: J.I. Johnson Amerada Hess Corporation | |
| Street and No. Post Office Box 840 | |
| P.O. State and ZIP Code Seminole, Texas 79360 | |
| Postage | |
| Certified Fee | |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt showing to whom and Date Delivered | |
| Return Receipt showing Date and Address of Deliverer | |
| TOTAL Postage and Fees | |
| Postmark or Date | JUNE 5, 1990 |

PS Form 3800, June 1985

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - 11C NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

June 5, 1990

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

ARCO Oil and Gas Company
Post Office Box 1610
Midland, Texas 79702
Attn: J.A. Nicholson

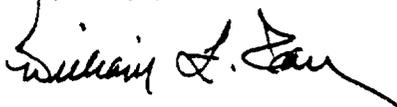
Re: Amended Application of Chevron U.S.A., Inc. for a Non-Standard Proration Unit, Unorthodox Well Locations and Simultaneous Dedication, Lea County, New Mexico

Gentlemen:

This letter is to advise you that Chevron U.S.A., Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking approval of a 400-acre non-standard Eumont Gas proration unit consisting of Lots 11, 12, 13 and 14 of Section 5 and Lots 15 and 16 and the SE/4 of Section 6, Township 21 South, Range 36 East, N.M.P.M., Lea County, New Mexico. Chevron U.S.A., Inc. proposes to simultaneously dedicate this non-standard Eumont proration unit to its Graham State (NCT-E) No. 2 Well located at a standard location 1980 feet from the South and East lines of Section 6, its Orcutt (NCT-A) Well No. 1 located at an unorthodox location 4600 feet from the North line and 1983 feet from the West line of said Section 5, and a new well to be drilled at an unorthodox location 1175 feet from the South line and 1375 feet from the East line of Section 6. Chevron U.S.A., Inc. also seeks approval of these unorthodox locations in the Eumont formation, Eumont Gas Pool.

This application has been set for hearing before a Division Examiner on June 27, 1990. You are not required to attend this hearing but, as the owner of an interest that may be affected by this non-standard proration unit or by these unorthodox well locations, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR CHEVRON U.S.A., INC.
WFC:mlh

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO". Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for rates and check boxes for additional services requested.
 1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: ARCO Oil and Gas Company
 Post Office Box 1610
 Midland, Texas 79702
 Attn: J.A. Nicholson

4. Article Number
 P 106 679 715

Type of Service:
 Registered
 Certified
 Express Mail
 Insured
 COD
 Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Addressee's Address (ONLY if requested and fee paid)
 SAME

5. Signature - Address
 X

6. Signature - Agent
 X *J.A. Nicholson*

7. Date of Delivery
 JUN 7 1990

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P-106 679 715

ARCO Oil and Gas Company
 Post Office Box 1610
 Midland, Texas 79702
 Attn: J.A. Nicholson

| | |
|--|--------------|
| Postage | |
| Certified Fee | |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt shown to whom and Date Delivered | |
| Return Receipt shown Date and Address of Addressee | |
| TOTAL Postage and Fees | |
| Postmark or Date | JUN - 5 1990 |

5861 unff 0083 PS Form 3811

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - 11C NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

June 5, 1990

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

Citation Oil & Gas Company
8223 Willow Place, Suite 250
Houston, Texas 77070
Attn: J.M. Crews

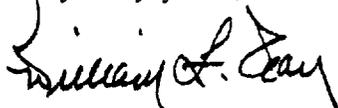
Re: Amended Application of Chevron U.S.A., Inc. for a Non-Standard Proration Unit, Unorthodox Well Locations and Simultaneous Dedication, Lea County, New Mexico

Gentlemen:

This letter is to advise you that Chevron U.S.A., Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking approval of a 400-acre non-standard Eumont Gas proration unit consisting of Lots 11, 12, 13 and 14 of Section 5 and Lots 15 and 16 and the SE/4 of Section 6, Township 21 South, Range 36 East, N.M.P.M., Lea County, New Mexico. Chevron U.S.A., Inc. proposes to simultaneously dedicate this non-standard Eumont proration unit to its Graham State (NCT-E) No. 2 Well located at a standard location 1980 feet from the South and East lines of Section 6, its Orcutt (NCT-A) Well No. 1 located at an unorthodox location 4600 feet from the North line and 1983 feet from the West line of said Section 5, and a new well to be drilled at an unorthodox location 1175 feet from the South line and 1375 feet from the East line of Section 6. Chevron U.S.A., Inc. also seeks approval of these unorthodox locations in the Eumont formation, Eumont Gas Pool.

This application has been set for hearing before a Division Examiner on June 27, 1990. You are not required to attend this hearing but, as the owner of an interest that may be affected by this non-standard proration unit or by these unorthodox well locations, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date

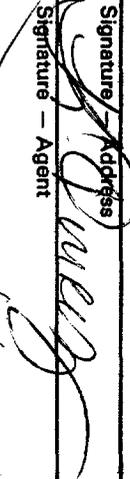
Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR CHEVRON U.S.A., INC.
WFC:mlh

31
 JUN 5 1990

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 through 8.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.
 1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

| | |
|--|--|
| 3. Article Addressed to: Citation Oil & Gas Company 8223 Willow Place Suite 250 Houston, Texas 77070 Attn: J.M. Crews | 4. Article Number P 106 679 714 |
| 5. Signature/Address <input checked="" type="checkbox"/> Signature  6. Signature - Agent <input checked="" type="checkbox"/> Signature - Agent | Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED. |
| 7. Date of Delivery <input checked="" type="checkbox"/> Date of Delivery 6/7/90 | 8. Addressee's Address (ONLY if requested and fee paid) |

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P-106 679 714

Citation Oil & Gas Company
 8223 Willow Place
 Suite 250
 Houston, Texas 77070
 Attn: J.M. Crews

| | |
|--------------------------------------|--------------|
| Postage | |
| Certified Fee | |
| Special Delivery Fee | |
| Restricted Delivery | |
| Return Receipt only to whom and Date | |
| Return Receipt only Date and Address | |
| TOTAL Postage and | |
| Postmark or Date | JUN - 5 1990 |

PS Form 3800 June 1985

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - IIC NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

June 5, 1990

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

Conoco Inc.
Post Office Box 460
Hobbs, New Mexico 88240
Attn: H. Ingram

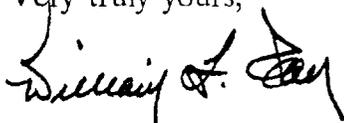
Re: Amended Application of Chevron U.S.A., Inc. for a Non-Standard Proration Unit, Unorthodox Well Locations and Simultaneous Dedication, Lea County, New Mexico

Gentlemen:

This letter is to advise you that Chevron U.S.A., Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking approval of a 400-acre non-standard Eumont Gas proration unit consisting of Lots 11, 12, 13 and 14 of Section 5 and Lots 15 and 16 and the SE/4 of Section 6, Township 21 South, Range 36 East, N.M.P.M., Lea County, New Mexico. Chevron U.S.A., Inc. proposes to simultaneously dedicate this non-standard Eumont proration unit to its Graham State (NCT-E) No. 2 Well located at a standard location 1980 feet from the South and East lines of Section 6, its Orcutt (NCT-A) Well No. 1 located at an unorthodox location 4600 feet from the North line and 1983 feet from the West line of said Section 5, and a new well to be drilled at an unorthodox location 1175 feet from the South line and 1375 feet from the East line of Section 6. Chevron U.S.A., Inc. also seeks approval of these unorthodox locations in the Eumont formation, Eumont Gas Pool.

This application has been set for hearing before a Division Examiner on June 27, 1990. You are not required to attend this hearing but, as the owner of an interest that may be affected by this non-standard proration unit or by these unorthodox well locations, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR CHEVRON U.S.A., INC.
WFC:mlh

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.
 1. Show to whom delivered, date, and addressee's address. (Extra charge)
 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
 Conoco Inc.
 Post Office Box 460
 Hobbs, New Mexico 88240
 Attn: H. Ingram

4. Article Number
 P 106 679 713

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

5. Signature - Address
 X

6. Signature - Agent
 X *H. Ingram*

7. Date of Delivery
 JUN 1 3 1990

8. Addressee's Address (ONLY if requested and fee paid)
See not found

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P-106 679 713

Conoco Inc.
 Post Office Box 460
 Hobbs, New Mexico 88240
 Attn: H. Ingram

| | |
|--------------------------------------|--------------|
| Postage | |
| Certified Fee | |
| Special Delivery Fee | |
| Restricted Delivery | |
| Return Receipt show to whom and Date | |
| Return Receipt show Date and Address | |
| TOTAL Postage and | |
| Postmark or Date | JUN - 5 1990 |

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

June 5, 1990

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

El Paso Natural Gas Company
Post Office Box 1492
El Paso, Texas 79978
Attn: J.T. Clark

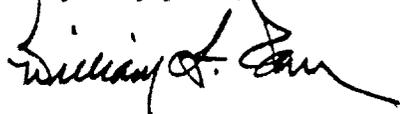
Re: Amended Application of Chevron U.S.A., Inc. for a Non-Standard Proration Unit, Unorthodox Well Locations and Simultaneous Dedication, Lea County, New Mexico

Gentlemen:

This letter is to advise you that Chevron U.S.A., Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking approval of a 400-acre non-standard Eumont Gas proration unit consisting of Lots 11, 12, 13 and 14 of Section 5 and Lots 15 and 16 and the SE/4 of Section 6, Township 21 South, Range 36 East, N.M.P.M., Lea County, New Mexico. Chevron U.S.A., Inc. proposes to simultaneously dedicate this non-standard Eumont proration unit to its Graham State (NCT-E) No. 2 Well located at a standard location 1980 feet from the South and East lines of Section 6, its Orcutt (NCT-A) Well No. 1 located at an unorthodox location 4600 feet from the North line and 1983 feet from the West line of said Section 5, and a new well to be drilled at an unorthodox location 1175 feet from the South line and 1375 feet from the East line of Section 6. Chevron U.S.A., Inc. also seeks approval of these unorthodox locations in the Eumont formation, Eumont Gas Pool.

This application has been set for hearing before a Division Examiner on June 27, 1990. You are not required to attend this hearing but, as the owner of an interest that may be affected by this non-standard proration unit or by these unorthodox well locations, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR CHEVRON U.S.A., INC.
WFC:mlh

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.
 1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

| | |
|---|---|
| 3. Article Addressed to: El Paso Natural Gas Company Post Office Box 1492 El Paso, Texas 79978 Attn: J.T. Clark | 4. Article Number P 106 679 712 |
| 5. Signature - Address X | Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED. |
| 6. Signature - Agent X <i>[Signature]</i> | 8. Addressee's Address (ONLY if requested and fee paid) |
| 7. Date of Delivery <i>[Signature]</i> | JUN 7 1990 |

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P-106 679 712

El Paso Natural Gas Company
 Post Office Box 1492
 El Paso, Texas 79978
 Attn: J.T. Clark

| | |
|---------------------------------------|--------------|
| Postage | |
| Certified Fee | |
| Special Delivery Fee | |
| Restricted Delivery? | |
| Return Receipt shown by whom and Date | |
| Return Receipt Date and Address | |
| TOTAL Postage and Fees | |
| Postmark or Date | JUN - 5 1990 |

PS Form 3800 5861 June 85

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, N.M. 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

June 5, 1990

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

Exxon Company U.S.A.
Post Office Box 1600
Midland, Texas 79702
Attn: R.D. Goddard

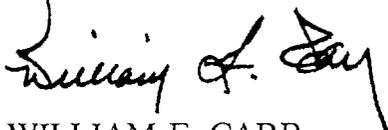
Re: Amended Application of Chevron U.S.A., Inc. for a Non-Standard Proration Unit, Unorthodox Well Locations and Simultaneous Dedication, Lea County, New Mexico

Gentlemen:

This letter is to advise you that Chevron U.S.A., Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking approval of a 400-acre non-standard Eumont Gas proration unit consisting of Lots 11, 12, 13 and 14 of Section 5 and Lots 15 and 16 and the SE/4 of Section 6, Township 21 South, Range 36 East, N.M.P.M., Lea County, New Mexico. Chevron U.S.A., Inc. proposes to simultaneously dedicate this non-standard Eumont proration unit to its Graham State (NCT-E) No. 2 Well located at a standard location 1980 feet from the South and East lines of Section 6, its Orcutt (NCT-A) Well No. 1 located at an unorthodox location 4600 feet from the North line and 1983 feet from the West line of said Section 5, and a new well to be drilled at an unorthodox location 1175 feet from the South line and 1375 feet from the East line of Section 6. Chevron U.S.A., Inc. also seeks approval of these unorthodox locations in the Eumont formation, Eumont Gas Pool.

This application has been set for hearing before a Division Examiner on June 27, 1990. You are not required to attend this hearing but, as the owner of an interest that may be affected by this non-standard proration unit or by these unorthodox well locations, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR CHEVRON U.S.A., INC.
WFC:mlh

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent the card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes) for additional service(s) requested.
 1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to:

Exxon Company U.S.A.
 Post Office Box 1600
 Midland, Texas 79702
 Attn: R.D. Goddard

4. Article Number

P 106 679 711

Type of Service:

- Registered
- Certified
- Express Mail
- Insured
- COD
- Return Receipt for Merchandise

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Address

X

6. Signature - Agent

X

[Handwritten Signature]

7. Date of Delivery

JUN 7 1990

8. Addressee's Address (ONLY if requested and fee paid)

SAFE

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P-106 679 711

Exxon Company U.S.A.
 Post Office Box 1600
 Midland, Texas 79702
 Attn: R.D. Goddard

| | |
|---|--------------|
| Postage | |
| Certified Fee | |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt showing Location and Date Delivered | |
| Return Receipt showing Date and Address of Delivery | |
| TOTAL Postage and Fees | |
| Postmark or Date | JUN - 5 1990 |

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. SERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

June 5, 1990

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

Doyle Hartman
Oil Operator
Post Office Box 10426
Midland, Texas 79702

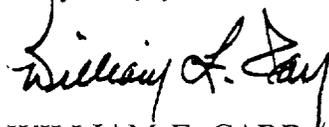
Re: Amended Application of Chevron U.S.A., Inc. for a Non-Standard Proration Unit, Unorthodox Well Locations and Simultaneous Dedication, Lea County, New Mexico

Dear Mr. Hartman:

This letter is to advise you that Chevron U.S.A., Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking approval of a 400-acre non-standard Eumont Gas proration unit consisting of Lots 11, 12, 13 and 14 of Section 5 and Lots 15 and 16 and the SE/4 of Section 6, Township 21 South, Range 36 East, N.M.P.M., Lea County, New Mexico. Chevron U.S.A., Inc. proposes to simultaneously dedicate this non-standard Eumont proration unit to its Graham State (NCT-E) No. 2 Well located at a standard location 1980 feet from the South and East lines of Section 6, its Orcutt (NCT-A) Well No. 1 located at an unorthodox location 4600 feet from the North line and 1983 feet from the West line of said Section 5, and a new well to be drilled at an unorthodox location 1175 feet from the South line and 1375 feet from the East line of Section 6. Chevron U.S.A., Inc. also seeks approval of these unorthodox locations in the Eumont formation, Eumont Gas Pool.

This application has been set for hearing before a Division Examiner on June 27, 1990. You are not required to attend this hearing but, as the owner of an interest that may be affected by this non-standard proration unit or by these unorthodox well locations, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR CHEVRON U.S.A., INC.
WFC:mlh

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Doyle Hartman Oil Operator Post Office Box 10426 Midland, Texas 79702

4. Article Number P 106 679 710

5. Signature - Address X

6. Signature - Agent X *L. Basso*

7. Date of Delivery JUN - 7 1990

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P-106 679 710

Doyle Hartman
Oil Operator
Post Office Box 10426
Midland, Texas 79702

| | |
|--|--------------|
| Postage | |
| Certified Fee | |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt shows to whom and Date Delivered | |
| Return Receipt shows Date and Address of Addressee | |
| TOTAL Postage and Fees | |
| Postmark or Date | JUN - 5 1990 |

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

June 5, 1990

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

Meridian Oil Inc.
2919 Allen Parkway, Suite 900
Houston, Texas 77019
Attn: B. Boles

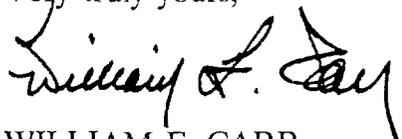
Re: Amended Application of Chevron U.S.A., Inc. for a Non-Standard Proration Unit, Unorthodox Well Locations and Simultaneous Dedication, Lea County, New Mexico

Gentlemen:

This letter is to advise you that Chevron U.S.A., Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking approval of a 400-acre non-standard Eumont Gas proration unit consisting of Lots 11, 12, 13 and 14 of Section 5 and Lots 15 and 16 and the SE/4 of Section 6, Township 21 South, Range 36 East, N.M.P.M., Lea County, New Mexico. Chevron U.S.A., Inc. proposes to simultaneously dedicate this non-standard Eumont proration unit to its Graham State (NCT-E) No. 2 Well located at a standard location 1980 feet from the South and East lines of Section 6, its Orcutt (NCT-A) Well No. 1 located at an unorthodox location 4600 feet from the North line and 1983 feet from the West line of said Section 5, and a new well to be drilled at an unorthodox location 1175 feet from the South line and 1375 feet from the East line of Section 6. Chevron U.S.A., Inc. also seeks approval of these unorthodox locations in the Eumont formation, Eumont Gas Pool.

This application has been set for hearing before a Division Examiner on June 27, 1990. You are not required to attend this hearing but, as the owner of an interest that may be affected by this non-standard proration unit or by these unorthodox well locations, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR CHEVRON U.S.A., INC.
WFC:mlh

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent the card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.
 1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

| | |
|--|---|
| 3. Article Addressed to: Meridian Oil Inc. 1 2919 Allen Parkway, Suite 900 Houston, Texas 77019 Attn: B. Boles | 4. Article Number P 106 679 709 |
| 5. Signature - Address X | Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED. |
| 6. Signature - Agent X <i>James Stiles</i> | 8. Addressee's Address (ONLY if requested and fee paid) |
| 7. Date of Delivery JUN 8 - 1990 | |

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P-106 679 709

Meridian Oil Inc.
 2919 Allen Parkway, Suite 900
 Houston, Texas 77019
 Attn: B. Boles

| | |
|--|--------------|
| Postage | |
| Certified Fee | |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt showing to whom and Date Delivered | |
| Return Receipt showing Date, and Address of Person Delivered | |
| TOTAL Postage and Fees | |
| Postmark or Date | JUN - 5 1990 |

PS Form 3800, June 1985

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

June 5, 1990

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

Shell Western E&P Inc.
Post Office Box 576
Houston, Texas 77001

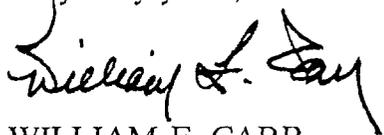
Re: Amended Application of Chevron U.S.A., Inc. for a Non-Standard Proration Unit, Unorthodox Well Locations and Simultaneous Dedication, Lea County, New Mexico

Gentlemen:

This letter is to advise you that Chevron U.S.A., Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking approval of a 400-acre non-standard Eumont Gas proration unit consisting of Lots 11, 12, 13 and 14 of Section 5 and Lots 15 and 16 and the SE/4 of Section 6, Township 21 South, Range 36 East, N.M.P.M., Lea County, New Mexico. Chevron U.S.A., Inc. proposes to simultaneously dedicate this non-standard Eumont proration unit to its Graham State (NCT-E) No. 2 Well located at a standard location 1980 feet from the South and East lines of Section 5, its Orcutt (NCT-A) Well No. 1 located at an unorthodox location 4600 feet from the North line and 1983 feet from the West line of said Section 5, and a new well to be drilled at an unorthodox location 1175 feet from the South line and 1375 feet from the East line of Section 6. Chevron U.S.A., Inc. also seeks approval of these unorthodox locations in the Eumont formation, Eumont Gas Pool.

This application has been set for hearing before a Division Examiner on June 27, 1990. You are not required to attend this hearing but, as the owner of an interest that may be affected by this non-standard proration unit or by these unorthodox well locations, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR CHEVRON U.S.A., INC.
WFC:mlh

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.
 1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

| | |
|---|---|
| 3. Article Addressed to: | 4. Article Number D 106 679 708 |
| Shell Western E&P Inc. Post Office Box 576 Houston, Texas 77001 | Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED. |
| 5. Signature - Address X | 8. Addressee's Address (ONLY if requested and fee paid) |
| 6. Signature - Agent X | |
| 7. Date of Delivery JUN 11 1990 | |

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P-106 679 708

Shell Western E&P Inc.
 Post Office Box 576
 Houston, Texas 77001

| | |
|---|--------------|
| Postage | |
| Certified Fee | |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt showing to whom and Date Delivered | |
| Return Receipt showing Date and Address of Addressee | |
| TOTAL Postage and Fees | |
| Postmark or Date | JUN - 5 1990 |

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

June 5, 1990

CERTIFIED MAIL -
RETURN RECEIPT REQUESTED

Texaco Producing Company
Post Office Box 728
Hobbs, New Mexico 88240
Attn: J.A. Head

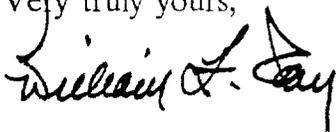
Re: Amended Application of Chevron U.S.A., Inc. for a Non-Standard Proration Unit, Unorthodox Well Locations and Simultaneous Dedication, Lea County, New Mexico

Gentlemen:

This letter is to advise you that Chevron U.S.A., Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking approval of a 400-acre non-standard Eumont Gas proration unit consisting of Lots 11, 12, 13 and 14 of Section 5 and Lots 15 and 16 and the SE/4 of Section 6, Township 21 South, Range 36 East, N.M.P.M., Lea County, New Mexico. Chevron U.S.A., Inc. proposes to simultaneously dedicate this non-standard Eumont proration unit to its Graham State (NCT-E) No. 2 Well located at a standard location 1980 feet from the South and East lines of Section 6, its Orcutt (NCT-A) Well No. 1 located at an unorthodox location 4600 feet from the North line and 1983 feet from the West line of said Section 5, and a new well to be drilled at an unorthodox location 1175 feet from the South line and 1375 feet from the East line of Section 6. Chevron U.S.A., Inc. also seeks approval of these unorthodox locations in the Eumont formation, Eumont Gas Pool.

This application has been set for hearing before a Division Examiner on June 27, 1990. You are not required to attend this hearing but, as the owner of an interest that may be affected by this non-standard proration unit or by these unorthodox well locations, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR CHEVRON U.S.A., INC.
WFC:mlh

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

Show-to-whom-delivered date and addressee's address. Restricted Delivery (Extra charge)

| | | |
|--|--|--|
| 3. Article Addressed to: Texaco Producing Company Post Office Box 728 Hobbs, New Mexico 88240 Attn: J.A. Head | | 4. Article Number P 106 679 707 |
| 5. Signature - Address X | | Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED. |
| 6. Signature of Agent X <i>[Signature]</i> | | |
| 7. Date of Delivery <i>6-7-90</i> | | 8. Addressee's Address (ONLY if requested and fee paid) <i>fee not paid</i> |

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P-106 679 707

Texaco Producing Company
 Post Office Box 728
 Hobbs, New Mexico 88240
 Attn: J.A. Head

| | |
|--|--------------|
| Postage | |
| Certified Fee | |
| Special Delivery Fee | |
| Restricted Delivery Fee | |
| Return Receipt showing to whom and Date Delivered | |
| Return Receipt showing Date and Address of Addressee | |
| TOTAL Postage and Fees | |
| Postmark or Date | JUN - 5 1990 |

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9949
Order No. R-9329

APPLICATION OF CHEVRON U.S.A.
INC. FOR A NON-STANDARD GAS
PRORATION UNIT, UNORTHODOX GAS
WELL LOCATIONS, AND SIMULTANEOUS
DEDICATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on May 30 and June 28, 1990, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 24th day of October, 1990, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Chevron U.S.A. Inc (Chevron), seeks approval for a non-standard 400-acre gas spacing and proration unit comprising Lots 11 through 14 of Section 5 and Lots 15 and 16 and the SE¹/₄ of Section 6, all in Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, said unit to be simultaneously dedicated to a well to be drilled at an unorthodox gas well location 1175 feet from the South line and 1375 feet from the East line (Unit W) of said Section 6, to its Orcutt (NCT-A) Well No. 1 properly located 4600 feet from the North line and 1980 feet from

the West line (Unit N) of said Section 5 (which is unorthodox for this proration unit) and to its Graham State (NCT-E) Well No. 2 located at an unorthodox location 1980 feet from the South and East lines (Unit R) of said Section 6.

(3) Subsequent to the hearing, the Division determined that the advertisement for this case incorrectly described the location of the above-described Orcutt (NCT-A) Well No. 1, and that the actual location is 4600 feet from the North line and 1983 feet from the West line of said Section 5. The Division further determined that notice to offset operators contained the correct well location and that since the error in the description is insignificant (3 feet), re-advertisement of this case is not necessary.

(4) The evidence and Division records indicate that the proposed non-standard gas proration unit currently consists of two previously approved non-standard gas proration units currently owned and operated by Chevron and comprising the following described acreage:

- a) A 240-acre unit comprising Lots 15 and 16 and the SE/4 of said Section 6, approved by Division Order No. NSP-145, dated June 8, 1955, and currently dedicated to said Graham State (NCT-E) Well No. 2 and;
- b) A 160-acre unit comprising Lots 11 through 14 of said Section 5, approved or "grandfathered" in by Division Order No. R-520, dated August 12, 1954, and currently dedicated to said Orcutt (NCT-A) Well No. 1.

(5) According to evidence and testimony, the above-described Graham State (NCT-E) Well No. 2 and the Orcutt (NCT-A) Well No. 1 are both currently producing from the Queen and Penrose intervals of the Eumont Gas Pool, and both are currently classified as marginal gas wells within said pool.

(6) The applicant's geologic evidence indicates that there is potential for gas production from the Yates formation (also included in the Eumont Gas Pool) underlying its acreage in said Section 6.

(7) The applicant seeks authority to drill an additional well in said Section 6 in order to recover the gas reserves within the Yates formation, and also to protect said acreage from offset Yates drainage which may be presently occurring.

(8) Testimony by the applicant indicates that the two above-described existing wells are not suitable for recompletion to the Yates formation.

(9) The proposed well location, which is unorthodox with respect to the interior quarter-quarter section lines, and does not encroach on the outer boundary of the proposed proration unit, is necessitated by geologic considerations.

(10) According to further evidence and testimony by the applicant, the average gas allowable for a 160-acre gas proration unit (1.0 acreage factor) within the Eumont Gas Pool during 1989 was approximately 290 MCFG per day.

(11) The Graham State (NCT-E) Well No. 2 is currently capable of producing approximately 66% of the average gas allowable assigned to its 240-acre proration unit.

(12) The applicant's evidence and testimony further indicates that the remaining gas allowable, approximately 34% or 147 MCFG per day is insufficient to economically justify the drilling of the proposed well on the existing 240-acre gas proration unit.

(13) The effect of forming the proposed 400-acre non-standard gas proration unit will be a significant increase in the amount of gas available for production from the proposed well, which in turn economically justifies its drilling.

(14) According to Division records, each of the offset Eumont gas proration units is capable of marginal gas production only, and therefore, the formation of the proposed 400-acre non-standard gas proration unit should not violate any offset operator's correlative rights.

(15) The two existing wells and a well at the proposed location should efficiently and economically drain and develop the proposed proration unit.

(16) Doyle Hartman, an offset operator to the proposed non-standard gas proration unit, appeared at the hearing but did not actively oppose the application.

(17) No other offset operator and/or interest owner appeared at the hearing in opposition to the application.

(18) Approval of the application will enable the applicant to economically recover the remaining gas reserves underlying the proposed proration unit, thereby preventing waste, and will not violate correlative rights.

(19) Division Order No. NSP-145 should be superseded by this order.

IT IS THEREFORE ORDERED THAT:

(1) A non-standard 400-acre gas spacing and proration unit comprising Lots 11 through 14 of Section 5 and Lots 15 and 16 and the SE/4 of Section 6, all in Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, is hereby established and simultaneously dedicated to a well to be drilled at an unorthodox gas well location 1175 feet from the South line and 1375 feet from the East line (Unit W) of said Section 6, to the existing Orcutt (NCT-A) Well No. 1, located at an unorthodox location 4600 feet from the North line and 1983 feet from the West line (Unit N) of said Section 5, and to the existing Graham State (NCT-E) Well No. 2 located at an unorthodox location 1980 feet from the South and East lines (Unit R) of said Section 6.

(2) For purposes of assigning gas allowable, the subject proration unit shall be assigned an acreage factor of 2.5 in the Eumont Gas Pool.

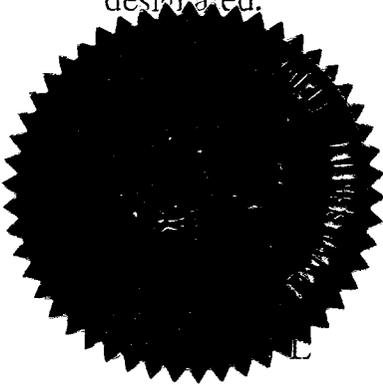
(3) The gas allowable assigned to the above-described proration unit may be produced from the three wells described above in any proportion.

CASE NO. 9949
Order No. R-9329
Page -5-

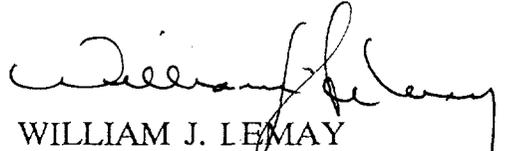
(4) Division Order No. NSP-145 is hereby superseded by this order.

(5) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director